Secret. II-37—100,000—21-8-52.

Development (1952) Department.

Res. SERIES.

G.O. No. 4329

Dated 10-10-1952.

[Despatch Abstract.]

Textiles — Mill cloth — Traders with dealers whose licences are suspended or cancelled — Disposal — procedure to be adopted — orders passed.

GOVERNMENT OF MADRAS

ABSTRACT

Textiles-Mill cloth-Stocks with dealers whose licences are suspended or cancelled-Disposal-Procedure to be adopted-Orders passed.

Development Department

G.O.Ms.No.4329 Dated 10th October, 1952

Read the following:

Provincial Textile Commissioner's circular letter No.Rc.E.1.3919/49 dated 22.4.49.

ORDER:

The Madras Cloth (Dealers) Control order, 1948 and the Madras Yarn (Dealers) Control order, 1948 do not provide how the stocks with the dealer should be disposed of when his licence is suspended or cancelled. But in the Provincial Textile Commissioner's circular letter cited, the Collectors were instructed that whenever the licence of a dealer is suspended or cancelled the order of suspension or cancellation should make definite provision for the disposal of the stock on hand within a reasonable time and that the time should be fixed having regard to the quantity and varieties of cloth or yarn and the demand for the same in the locality. In case of cancellation of licences where the gravity of the offence is such that the dealer in question cannot be trusted to make fair sales to consumers, the Collectors were instructed to order the transfer of stocks on hand with the dealers to other licensed dealers of his choice or to dealers nominated by the Collector within a prescribed time. The Government consider that the disposal of stocks within a prescribed time or transfer of stocks to other dealers may not be possible in all cases if the stocks consist of costly varieties or unsaleable varieties, and that in such cases, the cloth may have to be auctioned and the amount realised paid to the owner deducting the auction expenses. But these instructions have no statutory sanction.

The Government therefore direct that the following procedure be followed for the disposal of stocks of cloth with the dealer on the suspension or cancellation of his licence:-

(1) In the case of suspension of licence and in the case of cancellation of licence where no substitute is appointed in his place, the dealer may be permitted to sell his stocks according to the direction of the Collector or the Director of Controlled Commodities within a reasonable period. This period, may, if necessary, be extended by the Collector or the Director of Controlled Commodities as the case may be, according to the needs of each case.

p.t.o.

(2) In the case where a substitute is proposed to be appointed in the place of a dealer whose licence was cancelled, the substitute should be selected from among those applicants who agree to take over ~~the~~ at controlled rates all the stocks left by the old dealer. The substitute on his appointment should take over all the stocks.

(3) When it is not possible to get the stocks disposed of by the dealer within the time allowed to him or transferred to the new dealer appointed in the latter's place, as the case may be, the stocks should be frozen and disposed of by auction. The bidder in auction should be a licensed dealer in case he intends to sell the goods purchased in auction. The confirmation of the Director of Controlled Commodities should be obtained for all bids below 75% of the controlled rate finally accepted in the auction.

2. The Director of Controlled Commodities is requested to submit urgently before 1.12.1952 necessary draft amendments to the Madras Cloth (Dealers) Control Order and Madras Yarn (Dealers) Control Order.

(Sd.) x x x x x x
Secretary to Government

To the Director of Controlled Commodities.
" all Collectors.

/True Copy/

A Thiagarajan
Superintendent
Madras Record Office

v.v.20/9

20/9.